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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 1992

OR

| | TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-6393

THE BELL TELEPHONE COMPANY OF PENNSYLVANIA

(Incorporated under the laws of the State of Pennsylvania)

I.R.S. Employer Identification Number 23-0397860

One Parkway, Philadelphia, Pennsylvania 19102

Registrant's telephone number (215) 466-9900

THE REGISTRANT, A WHOLLY-OWNED SUBSIDIARY OF BELL ATLANTIC CORPORATION, MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION H(1)(a) AND (b) OF FORM 10-Q AND IS THEREFORE FILING THIS FORM WITH REDUCED DISCLOSURE FORMAT PURSUANT TO GENERAL INSTRUCTION H(2).

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes __X__ No _____

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THE BELL TELEPHONE COMPANY OF PENNSYLVANIA

TABLE OF CONTENTS

Item No.		Page
	PART I. FINANCIAL INFORMATION	
1.	Financial Statements	
	Statements of Income and Reinvested Earnings -- For the three and six months ended June 30, 1992 and 1991 ...	1
	Balance Sheets -- June 30, 1992 and December 31, 1991	2
	Statements of Cash Flows -- For the six months ended June 30, 1992 and 1991	3
	Notes to Financial Statements	4-5
	Selected Operating Data	6
2.	Management's Discussion and Analysis of Results of Operations (Abbreviated pursuant to General Instruction H(2))	7-10
	PART II. OTHER INFORMATION	
1.	Legal Proceedings	11
6.	Exhibits and Reports on Form 8-K	11

Form 10-Q Part I - Financial Information

Item 1. Financial Statements

THE BELL TELEPHONE COMPANY OF PENNSYLVANIA
Statements of Income and Reinvested Earnings
(Unaudited)

(Dollars in Millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	1992	1991	1992	1991
OPERATING REVENUES				
Local service	$341.6	$327.2	$ 669.2	$ 644.9
Network access	198.8	195.8	388.1	376.7
Toll service	119.2	116.6	237.2	231.9
Directory advertising and other	138.7	123.6	273.1	247.0
Provision for uncollectibles	(10.7)	(9.1)	(21.5)	(18.5)
	787.6	754.1	1,546.1	1,482.0
OPERATING EXPENSES				
Employee costs, including benefits and taxes	183.0	184.5	361.7	364.3
Depreciation and amortization	151.8	125.9	301.7	250.6
Other	266.2	253.6	526.6	497.1
	601.0	564.0	1,190.0	1,112.0
NET OPERATING REVENUES	186.6	190.1	356.1	370.0
OPERATING INCOME TAXES				
Federal	35.4	42.8	63.7	86.6
State	17.8	8.1	33.5	19.0
	53.2	50.9	97.2	105.6
OPERATING INCOME	133.4	139.2	258.9	264.4
OTHER INCOME (EXPENSE)				
Allowance for funds used during construction	.4	.4	.9	.7
Miscellaneous, net	(1.5)	.1	4.2	(.4)
	(1.1)	.5	5.1	.3
INTEREST EXPENSE	36.5	37.5	73.7	75.1
INCOME BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	95.8	102.2	190.3	189.6
CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE				
Transition Effect of a Change in Accounting for Postretirement Benefits Other Than Pensions, Net of Tax	--	--	--	(397.3)
NET INCOME (LOSS)	$ 95.8	$102.2	$ 190.3	$ (207.7)
REINVESTED EARNINGS				
At beginning of period	$477.2	$401.9	$ 466.8	$ 792.2
Add: net income (loss)	95.8	102.2	190.3	(207.7)
	573.0	504.1	657.1	584.5
Deduct: dividends	69.6	71.2	153.6	151.3
other changes	--	--	.1	.3
At end of period	$503.4	$432.9	$ 503.4	$ 432.9

See Notes to Financial Statements.

THE BELL TELEPHONE COMPANY OF PENNSYLVANIA
Balance Sheets

(Dollars in Millions)	June 30, 1992 (Unaudited)	December 31, 1991
ASSETS		
CURRENT ASSETS		
Cash	$ 7.9	$ 1.1
Accounts receivable:		
Customers and agents, net of allowances for uncollectibles of $56.9 and $54.3	420.9	431.5
Other	17.4	21.5
Material and supplies	26.9	30.5
Prepaid expenses	63.3	5.7
Deferred income taxes	21.8	18.6
Deferred charges	89.8	117.0
	648.0	625.9
PLANT, PROPERTY AND EQUIPMENT, AT COST	8,824.9	8,664.1
Less accumulated depreciation	3,361.9	3,170.0
	5,463.0	5,494.1
DEFERRED CHARGES AND OTHER ASSETS	58.2	106.7
TOTAL ASSETS	$6,169.2	$6,226.7
LIABILITIES AND SHAREOWNER'S INVESTMENT		
CURRENT LIABILITIES		
Debt maturing within one year:		
Affiliate	$ 155.8	$ 153.0
Other	.9	.8
Accounts payable:		
Parent and affiliates	110.5	88.7
Other	228.3	293.4
Accrued expenses:		
Taxes	18.8	68.6
Other	134.6	124.9
Advance billing, customer deposits and other	83.1	87.6
	732.0	817.0
LONG-TERM DEBT	1,694.2	1,694.1
DEFERRED CREDITS		
Deferred income taxes	687.5	713.9
Unamortized investment tax credits	161.0	171.4
Employee benefit obligations	771.1	757.4
Other	24.6	10.7
	1,644.2	1,653.4
SHAREOWNER'S INVESTMENT		
Common stock, $20 par value per share Authorized shares: 80,210,000 Outstanding shares: 79,732,681	1,594.7	1,594.7
Contributed capital	.7	.7
Reinvested earnings	503.4	466.8
	2,098.8	2,062.2
TOTAL LIABILITIES AND SHAREOWNER'S INVESTMENT	$6,169.2	$6,226.7

See Notes to Financial Statements.

Form 10-Q Part I

THE BELL TELEPHONE COMPANY OF PENNSYLVANIA

Statements of Cash Flows
(Unaudited)

(Dollars in Millions)	Six Months Ended June 30. 1992	1991
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 422.8	$ 347.5
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to plant, property and equipment ..	(257.9)	(310.5)
Other, net	(6.8)	2.0
Net cash used in investing activities	(264.7)	(308.5)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase in note payable to affiliate ...	2.8	237.9
Dividends paid	(153.6)	(151.3)
Principal repayments of long-term debt and capital lease obligations	(.5)	(125.5)
Net cash used in financing activities	(151.3)	(38.9)
INCREASE IN CASH	6.8	.1
CASH AT BEGINNING OF PERIOD	1.1	--
CASH AT END OF PERIOD	$ 7.9	$ .1

See Notes to Financial Statements.

THE BELL TELEPHONE COMPANY OF PENNSYLVANIA

Notes to Financial Statements
(Unaudited)

(1) BASIS OF PRESENTATION

The accompanying financial statements are unaudited and have been prepared by The Bell Telephone Company of Pennsylvania (the Company) pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). The December 31, 1991 balance sheet was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles. In the opinion of management, such financial statements include all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the results of operations, financial position and cash flows. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such SEC rules and regulations. The Company believes that the disclosures made are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1991.

(2) PRIOR PERIOD RESTATEMENT

The financial statements for the three and six months ended June 30, 1991 have been restated to reflect the adoption of Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," effective January 1, 1991.

(3) DIVIDEND

On July 30, 1992, the Company declared a dividend in the amount of $79.9 million which was paid to Bell Atlantic Corporation (Bell Atlantic) on July 31, 1992.

(4) INCOME TAXES

Prior to 1984, the Company was included in American Telephone and Telegraph Company's (AT&T) consolidated federal income tax returns. These returns have been examined by the Internal Revenue Service (IRS) and all issues have been settled.

During 1987, the IRS made a summary assessment requiring Bell Atlantic's telephone subsidiaries to pay a total of approximately $65 million in tax and interest related to certain contested issues for the years 1979 and 1980. This payment ($21 million of which was the Company's share) was recorded as a deferred charge. During the first quarter of 1992, the IRS settled the summary assessment issue as proposed by Bell Atlantic resulting in an after-tax gain to the Company of $8.7 million, which includes interest and taxes related to the settlement of certain issues for the tax years 1984 to 1986.

(5) SUPPLEMENTAL CASH FLOW INFORMATION

Interest paid during the six months ended June 30, 1992 and 1991 was $74.0 million and $71.1 million, respectively. In addition, the Company paid income taxes of $154.1 million and $100.0 million during the six months ended June 30, 1992 and 1991, respectively.

(6) SUBSEQUENT EVENT

On July 15, 1992, the Company sold $150.0 million of 15 year 7.375% debentures through a public offering. The debentures are not redeemable prior to maturity. The net proceeds from the sale will be used to refinance long-term debt. On August 5, 1992, the Company will redeem its entire $146.0 million of 9.625% debentures, which are due in 2014, at a redemption price of 104.55% of their principal amount, plus accrued interest from July 15, 1992. As a result of the early retirement of this debt, the Company will incur a loss of $7.6 million on this redemption, before an income tax benefit of $3.2 million.

THE BELL TELEPHONE COMPANY OF PENNSYLVANIA

Selected Operating Data
(Unaudited)
(In Thousands)

	At June 30,	
	1992	1991
Network access lines in service:		
Residence	3,623	3,584
Business	1,664	1,618
Public	78	78
	5,365	5,280

	Six Months Ended June 30,	
	1992	1991
Carrier access minutes of use:		
Interstate	6,094,434	5,835,531
Intrastate	1,433,173	1,368,735
	7,527,607	7,204,266

	Six Months Ended June 30,	
	1992	1991
Exchange Carrier Messages:		
InterLATA	346,225	332,462
Corridor	5,436	4,564
	351,661	337,026

Item 2. Management's Discussion and Analysis of Results of Operations
(Abbreviated pursuant to General Instruction H(2))

This discussion should be read in conjunction with the Financial Statements and Notes to Financial Statements.

NET INCOME

Net income for the six months ended June 30, 1992 increased $398.0 million from the corresponding period in 1991. Effective January 1, 1991, the Company elected to adopt Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." In conjunction with this adoption, the Company recorded a one-time, non-cash, after-tax charge of $397.3 million representing the actuarial liability for postretirement health and life insurance benefits attributable to prior service of retired and active employees. Excluding this item, net income for the six months ended June 30, 1992 increased $.7 million from the comparable period in 1991.

OPERATING REVENUES

Operating revenues for the six months ended June 30, 1992 increased $64.1 million or 4.3% from the comparable period in 1991. The increase in operating revenues was comprised of the following:

	(Dollars in Millions)
Local service	$24.3
Network access	11.4
Toll service	5.3
Directory advertising and other	23.1
	$64.1

Local Service

Local service revenues are earned from the provision of local exchange, local private line and public telephone services. The $24.3 million increase in local service revenues reflects 1992 volume increases representing approximately $15.0 million and $12.6 million recorded in 1992 to reflect the State Tax Adjustment Surcharge (STAS).

The Company experienced access line growth of 1.6% in the first six months of 1992 over the comparable period in 1991 (see Selected Operating Data on page 6). The growth in access lines and continued demand for Intelligent Network features such as Custom Calling have increased revenues approximately $15.0 million for the first six months of 1992 over the comparable period in 1991. The STAS represents the recovery of tax increases resulting from legislation enacted in August 1991 by the Commonwealth of Pennsylvania. The Pennsylvania Public Utility Commission (PUC) allows the Company to recover the increased taxes in the form of a surcharge applied to customers' bills. The STAS affects each of the major revenue categories, with the largest impact on local service.

Network Access

Network access revenues (switched, special and end-user) are earned from interexchange carriers (IXCs) for the use of the Company's local exchange facilities in providing interstate and intrastate long-distance services to their

customers and from end-user subscribers. Switched access revenues are derived from usage based charges paid by IXCs for access to the Company's network. Special access revenues arise from access charges paid by subscribers who have private lines, and end-user revenues are earned from local exchange carrier customers who pay a flat monthly charge, per access line, for access to the network.

Effective January 1, 1991, the Federal Communications Commission (FCC) adopted price cap regulation for the local exchange carriers. Price caps, a form of incentive regulation, limit prices rather than interstate rates of return. However, interstate earnings which produce returns over certain FCC-mandated thresholds must be shared with or returned entirely to customers in the form of prospective price reductions for interstate services for a twelve month tariff period. In its first Annual Price Cap Tariff, effective July 1, 1991, Bell Atlantic, on behalf of its telephone subsidiaries, filed interstate rate reductions in effect through June 30, 1992. Bell Atlantic filed further interstate rate reductions which became effective July 1, 1992. These rate reductions, net of lower support obligations to the National Exchange Carrier Association interstate access revenue pool, are expected to reduce 1992 interstate revenues. It is expected that the effect on net income will be mitigated by volume-related revenue increases and interstate cost reductions.

The $11.4 million increase in network access revenues is mainly due to a 4.5% increase in switched access minutes of use (see Selected Operating Data on page 6), partially offset by the reduction in rates noted above. Also, in accordance with the Company's withdrawal from the National Exchange Carrier Association interstate access revenue pool, the scheduled transitional support payments were lower in the first six months of 1992 from the comparable period in 1991. Special access revenues and end-user revenues were flat for the first six months of 1992 compared to the same period in 1991.

Toll Service

Toll service revenues are earned from interexchange usage services such as Message Toll Services (MTS), Wide Area Telecommunications Services (WATS), and Corridor Services (between Southeastern Pennsylvania and Southern New Jersey). The increase in toll service revenues was mainly due to the effect of the previously mentioned STAS. In addition, a 4.3% increase in MTS volume more than offset a decrease in WATS and private line revenues due to competition for these services.

Directory Advertising and Other

Directory advertising and other includes revenues from the sale of advertising in the Company's telephone directories, billing and collection services provided to IXCs, premises services such as inside wire installation and maintenance services, rent of Company facilities by affiliates and non-affiliates, and the provision for uncollectibles.

Directory advertising and other increased $23.1 million principally as a result of increases in rents and directory advertising revenue. These increases were slightly offset by an increase in the provision for uncollectibles associated with the increased revenues and the weakened economy. Rental income increased due to higher charges to affiliated companies for use of the Company's facilities and the classification, as revenue, of a portion of the intercompany charges which had previously been reflected as a reduction of expense. The increase in directory advertising revenue was primarily due to higher advertising rates. Volume growth for directory advertising, while still positive, has slowed due to the weakened economy and competition.

OPERATING EXPENSES

Operating expenses for the six months ended June 30, 1992 increased $78.0 million or 7.0% from the comparable period in 1991. The increase in operating expenses was comprised of the following:

	Increase (Decrease) (Dollars in Millions)
Employee costs	$ (2.6)
Depreciation and amortization	51.1
Other	29.5
	$ 78.0

Employee Costs

Employee costs include salaries, wages, commissions, pension and benefit expenses and payroll taxes for employees paid directly by the Company. Similar costs incurred by employees of Bell Atlantic Network Services, Inc. (NSI), who provide centralized services on a contract basis, are allocated to the Company and are included in other operating expenses. Employee costs for the first six months of 1992 decreased $2.6 million from the comparable period in 1991. This decrease was primarily due to the effect of a management retirement incentive program offered in the fourth quarter of 1991. Under the program, retirement-eligible employees were entitled to increased pension benefits and other non-cash incentives if they retired on December 15, 1991. Approximately 560 management employees retired under this program. This decrease was partially offset by wage increases for associate employees in August 1991 and salary increases for management employees in April 1992 and 1991.

Depreciation and Amortization

Depreciation and amortization expense for the first six months of 1992 increased $51.1 million from the comparable period in 1991. This increase was mainly attributable to a change in the depreciable lives of certain classes of plant. Effective January 1, 1992, the PUC and FCC approved the Company's petitions to change the depreciable lives of certain classes of plant resulting in a net decrease to plant lives.

Other Operating Expenses

Other operating expenses consist primarily of centralized service expenses allocated to the Company by NSI, rent, operating taxes other than income taxes, and other general and administrative expenses. Other operating expenses increased $29.5 million over the comparable period in 1991. The increase was mainly attributable to increases in costs allocated to the Company by NSI due to increases in customer service costs, information management costs and employee related expenses. In addition, during 1992 the Company has experienced an increase in write-offs associated with uncollectible receivables purchased from IXCs.

OPERATING INCOME TAXES

For the six months ended June 30, 1992, operating income taxes decreased $8.4 million from the comparable period in 1991. Federal income taxes decreased $22.9 million while state income taxes increased $14.5 million. Federal income taxes decreased $22.9 million due to revised federal tax estimates and lower pre-tax

income, including the impact of the state tax increases. The increase in state income taxes is mainly attributable to a 3.75% increase in the state corporate income tax rate. The effective income tax rate for the first six months of 1992 was 34.4%, compared to 35.6% for the comparable period in 1991.

OTHER INCOME (EXPENSE)

Other income and expense for the first six months of 1992 increased $4.8 million from the comparable period in 1991. This increase was principally due to a favorable settlement of various federal income tax matters related to prior periods which resulted in the recognition of interest income. (See Note 4 of Notes to Financial Statements).

FINANCIAL CONDITION

On July 15, 1992, the Company sold $150.0 million of 15 year 7.375% debentures through a public offering. The debentures are not redeemable prior to maturity. The net proceeds from the sale will be used to refinance long-term debt. On August 5, 1992, the Company will redeem its entire $146.0 million of 9.625% debentures, which are due in 2014, at a redemption price of 104.55% of their principal amount, plus accrued interest from July 15, 1992. As a result of the early retirement of this debt, the Company will incur an after-tax charge of $4.4 million in the third quarter of 1992. This refinancing is expected to result in a reduction in annual interest costs of $3.3 million, before an income tax charge of $1.4 million.

Under a shelf registration statement filed with the Securities and Exchange Commission, the Company may issue an additional $150.0 million of debt securities.

The Company's debt ratio was 46.9% at June 30, 1992, compared to 47.3% and 43.9% at December 31, 1991 and June 30, 1991.

Management believes that working capital and available credit facilities are adequate to meet normal operating requirements, and that while presently foreseeable capital requirements will continue to be financed primarily through internally generated funds, some additional long-term financing may be needed to maintain the Company's capital structure within management's guidelines.

PROSPECTIVE INFORMATION

Bell Atlantic has announced that it plans to reduce its associate workforce by a total of approximately 3,500 employees by the end of 1992, and will negotiate the specific means for accomplishing this reduction in the course of collective bargaining of its union contracts that expire on August 8, 1992. The financial impact of the planned workforce reduction on the Company cannot be estimated until a specific plan has been developed.

Representative Jack Brooks (D-Texas) has introduced legislation in the U.S. House of Representatives that, if enacted, could have a significant adverse effect on the Company's growth opportunities and future results of operations. The bill, H.R. 5096 (the Brooks Bill), would revoke the rights to provide information services that were granted to the Company and other regional Bell holding companies by a 1991 Federal court order. In addition, the Brooks Bill would impose a statutory bar, removable under certain circumstances, prohibiting the Bell holding companies from manufacturing telecommunications equipment, providing long-distance services, and conducting various types of telecommunications research and development. The restrictions in the Brooks Bill go beyond the restrictions imposed in the American Telephone and Telegraph Consent Decree. The Company is unable to predict at this time whether the Brooks Bill will be enacted in its current form or in any modified form.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

For background concerning the Company's contingent liabilities under the Plan of Reorganization governing the divestiture by AT&T of certain assets of the former Bell System Operating Companies with respect to private actions relating to pre-divestiture events, and concerning pending antitrust cases, see Item 3 of the Company's Annual Report to the SEC on Form 10-K for the year ended December 31, 1991.

Item 6. Exhibits and Reports on Form 8-K

(b) Reports on Form 8-K:

A Current Report on Form 8-K, dated July 6, 1992, was filed reporting on Item 7 (Financial Statements and Exhibits) in connection with the sale of debt securities.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

The Bell Telephone Company of Pennsylvania

Date: August 6, 1992

By: /s/ William Harral
William Harral
Vice President-External Affairs and
Chief Financial Officer

(Principal Financial Officer)

UNLESS OTHERWISE INDICATED, ALL INFORMATION IS AS OF AUGUST 3, 1992.